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Going green saves green

by Terry O'Day

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It was 1998. The sport utility vehicle was king. That was the year I helped to start a company that would rent electric, hybrid, and natural gas cars to the public. Years before a gallon of gas hit \$3, our company, EV Rental Cars, was at 14 airports, serving over 200,000 customers. Policies that supported environmental vehicles in California helped us to establish and grow our company.

Twelve years later, I am now a Santa Monica City Council member and also directing an environmental foundation. Now more than ever, California policy is leading a national transformation to a clean-energy future. And small businesses across the state are positioned to deliver the benefits of clean energy.

As Robert Kennedy Jr. often says, good environmental policy is good economic policy 100 percent of the time. Historical data on energy efficiency in California supports his claim. The state's appliance and building efficiency standards have saved Californians over \$56 billion since the 1970s — that's the equivalent of \$1,000 per household.

Over the past 35 years, energy efficiency measures have been the cornerstone of California's economic success story. Clean energy policies are recharging California's economy. Green jobs are growing 2.5 times as fast as traditional jobs, and California's clean-energy economy has attracted more than \$6.5 billion in venture capital in the past three years — skyrocketing above previous levels. The Global Warming Solutions Act (AB32), passed in 2006, requires us to reduce our global warming pollution 15 percent by 2020, and is partly responsible for this growth because it provides market certainty that investors need.

Moving our economy to a clean-energy future is something that Santa Monica has been doing for years. City Hall adopted a groundbreaking Sustainable City Plan in 1994 and became a leader in a movement that has resulted in sustainability becoming a mainstream practice in government, business, and our daily lives. In 2000, Santa Monica became the first city in the country to purchase 100 percent of its electricity from renewable sources, and met the 2012 Kyoto global warming pollution reduction goals five years early. Through programs like Solar Santa Monica and through private action, we quadrupled the amount of solar photovoltaic installations in just two years. In fact, there are over 40 "Santa Monica Certified Green Businesses" here and one of the largest concentrations of certified green buildings in the country.

If you are interested only in the bottom line, this "new economy" is already producing results. Anyone who has owned a fuel-efficient car, installed a compact fluorescent light bulb or purchased an Energy Star appliance knows energy efficiency saves money. Money left in Californians' pockets frees it for other priorities.

Take the case of the solar energy system pending approval for installation by the Santa Monica-Malibu Unified School District. Thanks to a partnership with Solar Santa Monica, the district may install a system that is anticipated to avoid the production of almost 24,000 tons of greenhouse gases over the next 25 years and save over \$1 million in energy costs. That's \$1 million that will be reinvested in our schools and our children.

To understand what clean energy policies mean to small business locally, The Brattle Group, an independent economic research organization, audited five years of electricity and gas bills from the Border Grill on Fourth Street. With carbon-cutting technologies, the Border Grill could completely absorb the small increase in energy costs related to AB 32 by raising the price of a \$20 meal less than three cents in 2020. That pales in comparison to the effect of inflation over 10 years: a typical increase of 2 percent per year would add \$4.38 to a \$20 bill.

AB32 and energy efficiency policies are helping small businesses throughout California. Consider Tom Bowman, who runs Bowman Design Group, a small company in Signal Hill. He changed his business practices to reduce energy consumption and found that his changes improved everything from the welfare of his workforce to the overall growth of his business.

"Businesses must constantly innovate in order to thrive," he says. Everything Tom did had a return on investment. He traded an SUV

for a hybrid car and plugged equipment into power strips that were switched off at night. He replaced several office machines with a single multi-function unit. When the air conditioner broke down, he upgraded to the most energy efficient model he could afford. By slashing its carbon footprint by 65 percent, Bowman Design saves about \$9,000 a year.

A recent poll found that 70 percent of California voters recognize that a clean environment and strong economy go hand in hand. Out-of-state opponents of AB32 will spend millions to convince us otherwise. In Santa Monica, however, we have already seen that Bobby Kennedy's claim is true, and we have the experience already in place to be a leader in the emerging clean-energy economy.

Terry O'Day is a Santa Monica City Council member. He is executive director of Environment Now, which has been fighting to protect California ecosystems for over 20 years. O'Day is also past president of EV Rental Cars. He is a 12-year resident of Santa Monica.